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Allan G. Andrews, C.A.
Metropolitan Auditor

THE BOARD OF MANAGEMENT OF THE O'KEEFE CENTRE

Report on the audit of the operations
for the year ended

December 31, 1983

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

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Allan G. Andrews, C.A., *Metropolitan Auditor*

March 14, 1984

The Chairman and Members of the Board of Management of the O'Keefe Centre

I have completed my audit of the operations of the Board of Management of the O'Keefe Centre for the fiscal year ended December 31, 1983. Copies of the financial statements and my related opinion are attached at the end of this report.

Net income from the theatre operations, before accounting for special maintenance and major renovations, amounted to $696,000, which is $235,000 more than forecast. A further $287,000 of revenue was generated from user fee charges. This brings to five the number of years in which the Centre has consistently generated an operating profit. Prior to 1979, the Centre was consistently in a loss position.

In 1982, I expressed a reservation in my audit opinion regarding the refund of a surplus arising from the wind up of the O'Keefe pension plan. This surplus, referred to in Note 6 to the financial statements and which now amounts to $240,173, has not yet been recorded in the accounts of the O'Keefe Centre. Because it is a material amount, I have again expressed a reservation in my 1983 audit opinion. It is my understanding that the Centre has now tentatively agreed to take this item into revenue in the 1984 fiscal year.

The Centre has made provision for accumulated sick pay for employees of a contractor amounting to $59,825. As I indicated last year, the liability for payment of this accumulated sick pay to retiring employees of the contractor is questionable and in fact, management have indicated that they intend to dispute responsibility.

The rebate of $25,564 received in 1982 relating to sales tax paid on a sound system installed in 1978, and commented on in my 1982 report, has been used to fund 1983 expenditures of $22,473 for the improvement of the sound system. The balance of $3,090 is carried on the balance sheet as unexpended grants.

Endowment Fund

On October 14, 1983, the Metropolitan Council enacted By-Law No. 147-83 approving the establishment and operation of an endowment fund by the Board of Management of the O'Keefe Centre. This fund is to be used for financing capital improvements and extraordinary programming opportunities. During 1983, there were no transactions in the fund.

OVERVIEW OF OPERATIONS

The net income from operations reported for the year, before taking into account surcharge revenue or special maintenance and major renovations, amounted to $696,237 compared to $1,052,188 in the previous year, a decline of 34%.

Net performance revenue decreased 35% from 1982 and was the main reason for the overall decline in the profitability of the Centre. Seven shared-risk attractions running for a total of eleven weeks were presented in 1983, two more than in 1982 but running for only eleven weeks compared to fifteen weeks in 1982. A number of one and two night attractions were also presented in 1982 and 1983. The O'Keefe's share of net profit on performances decreased from 16.5% of net revenues in 1982 to 12.0% in 1983.

Overall, net rental revenue increased by $82,000 over the previous year. This reflected an increase of 6.8% in the basic weekly rental rate to $47,000 from $44,000. The theatre was rented for 30 weeks in both years and due to sharing agreements, the net average weekly rental return was $4,000 higher than the basic rate. Offsetting the increased revenue was an increase of $52,000 in the direct costs borne by the Centre, primarily in respect of ushers and front of house staff.

Interest revenue of $172,707 was significantly down from the 1982 figure of $277,979, due primarily to lower interest rates and the fact that the 1982 surplus was paid over to the Municipality much earlier than in the previous year. Approximately $64,000 (1982 - $74,000) of the interest income can be attributed to 1982 surplus of $1,087,188 which was paid to the Municipality on August 22, 1983. Commencing with the 1983 fiscal year, the Board and the Metropolitan Treasurer agreed that the settlement date for any surplus or deficit is to be March 31st of the following year.

The catering operations contributed net revenue of $136,340 in 1983, compared to $85,450 in 1982. In 1982, the restaurant was closed for three months for major renovations.

Major Renovations

During 1979, the Board came to the conclusion that the facility required major renovation expenditures over the next few years. Major renovations from 1979 to date total $3,380,326 of which $1,287,759 was expended in the current year (1982 - $796,391).

These include the following:

	1983	Total 1979 to date
Administration office	$	$ 88,345
Air conditioning	94,438	207,492
Auditorium		616,841
Consulting fees	116,212	247,481
Furniture and equipment	99,014	328,824
Lobby	522,908	522,908
Lower lounge		225,369
Masonry rehabilitation		124,782
Painting and other repairs	39,025	232,882
Roof replacement		213,356
Sprinkler system		84,678
Sprung floor in rehearsal hall		11,000
Stage lighting improvements	395,358	455,364
Sound system for hearing impaired	20,804	20,804
	$1,287,759	$3,380,326

User Fee Revenue

In the latter part of 1980, the Board instituted a surcharge on users of the theatre as a contribution towards the renovation program. A surcharge of 50¢ on each ticket sold in excess of $5.00 is collected. Where no tickets are sold, a flat fee is levied.

User fee revenue, after deduction of designated expenses, is submitted to the Metropolitan Corporation where it is set up in a Capital Improvement and Rehabilitation Reserve Fund - O'Keefe Centre. Revenue for 1980 ($76,214) was credited to general Metropolitan revenues. The transactions in the Capital Improvement and Rehabilitation Reserve Fund in the accounts of the Municipality for 1983 and 1982 are as follows:

	1983	1982
Fund balance at January 1	$182,112	$ 50,347
Add: Receipts		
User fees collected	287,108	346,130
Less deductions by O'Keefe for overhead costs and minor expenses	38,600	35,000
	248,508	311,130
Interest earned on funds on deposit	23,860	19,783
	454,480	381,260
Less: Disbursements		
Contributions to the O'Keefe Centre for capital expenditures	321,940	199,148
Fund balance at December 31	$132,540	$182,112

The Metropolitan Corporation has agreed to fund major renovation costs on the basis of 25% from the Reserve Fund and 75% from a separate Metropolitan appropriation. For 1983, the original estimates for major renovations amounted to $1,350,000. As already indicated, actual expenditures amounted to $1,287,759. The Metropolitan Corporation contributed $965,819 (being 75% of the actual expenditure) and the balance was made up from a contribution from the Capital Improvement Reserve Fund of $321,940.

Financial Presentation

Apart from restrictions on the user surcharge revenue arising from placement in a Reserve Fund, the funding arrangements only have significance from a budgetary standpoint. Since net income from operations of the O'Keefe becomes payable to the Metropolitan Corporation in any event, whether renovation costs are funded by the Corporation from a separate appropriation or met directly from operations of the Centre does not alter the fact that such costs are ultimately borne by the Metropolitan Corporation. A similar rationale applies to the special maintenance costs. Accordingly, the statement of operations of the Centre contains total renovation and special maintenance costs as well as user surcharge revenue as operating items. The net loss, after taking these items into account, amounted to $373,511 compared to net income of $376,516 in 1982.

Contribution or Cost to the Municipality

Control of the O'Keefe Centre was acquired by the Metropolitan Corporation in 1968 from The Performing Arts Corporation Limited, a subsidiary of Canadian Breweries Limited. The Metropolitan Corporation purchased the land and buildings for a total of $2,750,000, payable in ten annual instalments of $275,000 without interest, the final instalment being paid in 1977, when title to the land and buildings passed to the Metropolitan Corporation.

Day to day operation of the Centre is controlled by a Board of Management, but the Metropolitan Corporation is responsible for any deficit and entitled to any net income from operations.

Municipal realty and business taxes on the Centre were paid directly by the Metropolitan Corporation from 1968 to 1978. Effective Janauary 1, 1979, provincial legislation was enacted exempting the Centre from such taxes.

In common with most Boards of the Municipality, major capital expenditures are normally paid or financed directly by the Metropolitan Corporation and with the exception of the major renovation costs referred to on page 4, are not reflected in the Statement of Operations.

The total contribution from (cost of) the O'Keefe to the Corporation for the past five years is as follow.

	1983	1982	1981	1980	1979
NET INCOME (LOSS) BEFORE ITEMS BELOW	$ 696,237	$1,052,186	$646,267	$457,346	$ (27,922)
User fee revenue	287,107	346,130	320,374	76,214	
Special maintenance costs	(69,096)	(225,411)			
Major renovation costs	(1,287,759)	(796,391)	(700,246)	(446,925)	(149,005)
Provincial subsidy	55,277	125,546			
Debt charges	(26,788)	(27,013)	(27,013)	(27,013)	(27,013)
Total (cost) contribution	$ (345,022)	$ 475,049	$239,382	$ 59,622	$(203,940)

Debt charge is in respect of $175,981 of 8¼% ten year debentures issued on December 1, 1977 to permanently finance capital expenditures made in 1975 and 1976.

Under the Canada/Ontario Employment Development Program, Metro received from the Province $55,277 of the $69,096 that was allocated to the O'Keefe for special maintenance. In 1982, Metro received subsidies under the Ontario Employment Incentive Programme of $125,546.

Actual Compared to Budget

The following statement sets out in condensed form the comparison between 1983 actual operations and budget approved by Metropolitan Council.

	1983 Actual	1983 Budget	Variance
REVENUE			
Net performance revenue	$ 620,395	$ 619,500	$ (895)
Net rental revenue	1,511,709	1,437,776	(73,933)
Catering revenue	136,340	289,347	153,007
Interest and other income	488,379	428,102	(60,277)
	2,756,823	2,774,725	17,902
EXPENSES			
Administration	433,567	466,375	(32,808)
Box office and promotion	510,149	687,323	(177,174)
House operations and maintenance	1,116,870	1,159,774	(42,904)
	2,060,586	2,313,472	(252,886)
NET INCOME BEFORE ITEMS BELOW	696,237	461,253	(234,984)
User fee revenue	287,107	350,000	62,893
Special maintenance costs (see (a))	(69,096)		69,096
Major renovation costs	(1,287,759)	1,350,000	(62,241)
NET LOSS FROM OPERATIONS	$ 373,511	$ 538,747	$(165,236)

(a) These expenditures were in addition to the 1983 budget appropriation and were funded by the Municipality of Metropolitan Toronto as part of the Canada/Ontario Employment Development Programme.

COMMENTARY ON OPERATIONS

Attendance

In general, both the number of events and attendance at each has declined. Total attendance at the O'Keefe was 636,000 for 12 months, compared to 750,000 for the 1982 fiscal year, a decrease of 15% in average monthly attendance. Total box office receipts of all types of performances decreased by 7% to approximately $13,000,000 for the year, compared to $14,000,000 for 1982. The O'Keefe staged 294 ticketed performances in 1983 compared to 318 in 1982. On average, 69% of the capacity of the house was sold during 1983, as compared with 73% in 1982.

Staging of Events

There are two major ways of staging attractions. The first is where productions are staged under contracts with independent producers on a profit sharing basis. These contracts generally require a minimum guarantee for the producer and detail the sharing arrangement and the liability of each party for production and incidental costs.

The second method of staging an attraction is where the theatre is rented to a producer or other group for a rental fee. Some events are staged where the O'Keefe is guaranteed a minimum rental fee plus a share of revenues.

Cost of Performances

The major direct costs of staging performances are the costs of stagehands and musicians, advertising expenses and front of house expenses (ushers, doormen, etc.). In the case of performances under profit sharing contracts, the costs of all these expenses are charged according to the terms of the contract. In the case of rental contracts, all costs with the exception of the costs of ushers and doormen are generally charged to the producer and consequently the O'Keefe bears no performance related risk.

Shared Risk Productions

The profit performance on these productions is illustrated in the following table. This table sets out the share of revenue and expenses borne by the O'Keefe.

	1983				1982	
	Total	Producer	O'Keefe		O'Keefe	
	$	$	$	%	$	%
Net ticket sales	5,155,035	3,290,690	1,864,345	100	2,252,666	100
	100%	64%	36%		39%	
Performance costs:						
Stagehands	387,207	9,083	378,124	20	421,399	19
Musicians	392,292	2,133	390,159	21	295,068	13
Front of house	50,258		50,258	3	80,673	3
	829,757	11,216	818,541	44	797,140	35
Promotion costs	394,283	9,588	384,695	21	469,446	21
Royalties and other costs	54,258	13,543	40,715	2	26,180	1
Total costs	1,278,298	34,347	1,243,951	67	1,292,766	57
Net performance revenue	3,876,737	3,256,343	620,394	33	959,900	43

Rental Contracts

The year encompassed over 20 weeks for performances of the Canadian Opera and the National Ballet. In addition, the theatre was rented to 19 other organizations for 74 performances in 1983.

Catering

The combined bar and restaurant operations contributed $136,340 to the overall profitability of the Centre in 1983 (1982 - $85,450).

In 1982, the restaurant was operated for part of the year by an outside catering company under an income sharing arrangement. Following discontinuance of this contract, the restaurant was closed for three months for renovation of facilities and was operated by the Board for two months.

Other Income

The primary source of other income is interest on investment of surplus funds with the Metropolitan Treasurer. During the year, the Centre received in excess of $170,000 in interest revenue, down $97,000 from the previous year primarily due to a drop in interest rates.

The balance of other income includes Inner Circle membership fees, revenue from Performance Magazine, display booth rentals, coat-check, commissions on binocular rentals and various expense recoveries.

EXPENDITURES

Direct expenditures are charged to performances, bar and restaurant or rentals as appropriate and are detailed in the schedules to the Statement of Operations.

Indirect expenses, that is, expenses which are not directly chargeable to performances, rentals, etc., are classified into three major categories: administration, box office and promotion, and operations and maintenance.

Staffing

The major individual expenditure of the O'Keefe Centre is for staff. There are 33 employees on the permanent staff of the Centre. This represents a net reduction of two from the previous year reflecting the replacement of 3 full time bar and restaurant employees with part time staff and the addition of an Operation Manager. Box office and maintenance operations are contracted out and are staffed by employees of the individual contractors.

	1983	1982
Management	2	2
Accounting and administration	9	8
Advertising, promotion and printing	7	7
Catering	4	7
Stagehands	8	8
Other (stage door)	3	3
	33	35

As already indicated other stagehands and all musicians are hired dependent on the needs of the performance and the terms of each of the union contracts.

There is also a large body of temporary staff, which is performance related and includes front of house staff for performances (ushers, doormen, etc.) and staff for the restaurant and concessions. An average of 60 people are hired for each performance.

Administration

Major costs considered as administrative include the salaries and related costs of senior management, accounting and administrative staff.

	1983	1982
Management salaries and benefits	$111,043	$100,896
Other management expenses	25,073	41,892
Administrative salaries and benefits	163,343	149,042
Other administrative expenses	134,108	136,423
	$433,567	$428,253

Other administrative expenditures include telephone costs, office supplies, insurance premiums, bank charges, legal and audit fees, fees for accounting services, equipment purchases, equipment rental, computer service bureau costs and other costs of a general administrative nature.

Box Office and Promotion

These costs are made up as follows:

	1983	1982
Salaries and wages	$ 92,364	$ 81,018
Advertising consultant and agency fees	30,000	28,140
Inner Circle	45,635	54,508
Box office cost	134,148	153,583
Other publicity and selling costs	91,394	92,918
Other printing and mailing costs	116,608	130,368
	$510,149	$540,535

Since May 17, 1982, the box office has been operated by an agency on a fixed fee basis. Prior to that date, the box office was operated by another agency on a cost recovery basis.

The Inner Circle program allows members first choice of tickets for all shows in addition to calendars detailing coming attractions. The revenue from this endeavour totalling $72,350 in 1983, which was down 29% from the previous year, is shown under other revenues. The membership runs from April to March, but all revenues and expenses are accounted for in the year received or disbursed.

House Operations and Maintenance

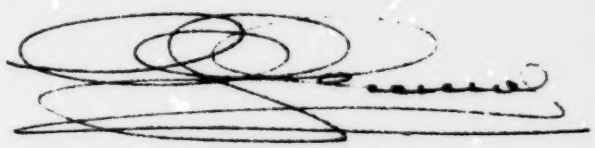
These costs fall into three major categories - house operations, stage operations and engineering and maintenance costs.

	1983	1982
House operations:		
Salaries and wages	$ 185,348	$ 177,410
Other (security, uniforms and supplies)	37,854	59,943
	223,202	237,353
Stage operations:		
Wages	25,594	12,409
Other	41,253	28,517
	66,847	40,926
Engineering and maintenance:		
Contract costs	516,320	483,680
Utility costs	189,888	178,397
Repairs and maintenance	120,613	96,378
	826,821	758,455
	$1,116,870	$1,036,734

Most major maintenance, including janitorial and engineering services, is carried out under contract. The contract is cost plus and includes salaries, wages and benefits of the contractor's full time staff stationed at the O'Keefe. Repairs and maintenance include cost of supplies, parts and labour supplied by outside contractors.

Insurance

I have reviewed the insurance coverage at the O'Keefe Centre and found it to be adequate.



METROPOLITAN AUDITOR

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Allan G. Andrews, C.A., *Metropolitan Auditor*

March 14, 1984

AUDITOR'S REPORT

**To the Members of the
Board of Management of the
O'Keefe Centre**

I have examined the balance sheet as at December 31, 1983 of the Board of Management of the O'Keefe Centre and the statements of operations and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

As disclosed in Note 6, the Centre has not recorded as revenue a surplus arising from the wind-up of the O'Keefe Pension Plan. In my opinion, generally accepted accounting principles require that this revenue be recorded. The effect on the financial statements of not recording this item is that income for 1982 and 1983 is understated by $219,973 and $20,200, respectively. Furthermore, had this revenue been recognized, the surplus payable to the Municipality of Metropolitan Toronto would have been increased by $240,173.

In my opinion, except for the effects of the Board's decision not to record the asset and revenue referred to in the preceding paragraph, these financial statements present fairly the financial position of the Board as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

THE BOARD OF MANAGEMENT OF THE O'KEEFE CENTRE

BALANCE SHEET

DECEMBER 31, 1983

(with comparative figures for 1982)

	1983	1982
ASSETS		
Cash	$ 30,404	$ 37,808
Advance to the Municipality of Metropolitan Toronto, including interest receivable of $68,300 (1982 - $139,777)	1,468,300	1,439,777
Accounts receivable		
Municipality of Metropolitan Toronto	818,791	954,177
Others	90,143	141,498
Inventory, at replacement cost	37,809	36,720
Prepaid expenses	17,814	17,550
	$2,463,261	$2,627,530
LIABILITIES		
Accounts payable		
Municipality of Metropolitan Toronto	$1,394,692	$1,075,955
Others	1,123,069	722,828
Deferred revenue (note 5)	315,921	426,667
Unexpended grants	3,090	25,564
Net (loss) income from operations, (receivable) payable to the Municipality of Metropolitan Toronto (note 1)	(373,511)	376,516
	$2,463,261	$2,627,530

(see accompanying notes)

THE BOARD OF MANAGEMENT OF THE O'KEEFE CENTRE

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1983

(with comparative figures for 1982)

	1983	1982
REVENUE		
Performance (Schedule I)	$ 620,395	$ 959,900
Rental (Schedule II)	1,511,709	[illegible],843
Catering (Schedule III)	136,340	85,450
Interest and other revenue	488,379	582,517
Operating income, before indirect expenses	2,756,823	3,057,710
INDIRECT EXPENSES		
Administration	433,567	428,253
Box office and promotion	510,149	540,535
House operations and maintenance	1,116,870	1,036,734
	2,060,586	2,005,522
NET INCOME, BEFORE ITEMS BELOW	696,237	1,052,188
User fee revenue (note 3)	287,107	346,130
Special maintenance costs (note 4)	(69,096)	(225,411)
Major renovation costs (note 3)	(1,287,759)	(796,391)
NET (LOSS) INCOME FROM OPERATIONS	$ (373,511)	$ 376,516

(see accompanying notes)

THE BOARD OF MANAGEMENT OF THE O'KEEFE CENTRE

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1983

(with comparative figures for 1982)

	1983	1982
SOURCE OF CASH		
Increase in:		
Accounts Payable	$ 718,978	$ 350,695
Decrease in:		
Accounts receivable	186,741	
	905,719	350,695
USE OF CASH		
Net loss (income) from operations	373,511	(376,516)
Increase (decrease) in:		
Advance to Municipality of Metropolitan Toronto	28,523	(482,530)
Accounts receivable		360,779
Inventory	1,089	15,928
Prepaid expense	264	4,079
Decrease (increase) in:		
Deferred revenue	110,746	443,779
Bank indebtedness		109,237
Unexpended grants	22,474	(25,564)
Payment of prior year's income to the Municipality of Metropolitan Toronto	376,516	266,395
	913,123	315,587
Increase (decrease) in cash during year	(7,404)	35,108
Cash, beginning of year	37,808	2,700
Cash, end of year	$ 30,404	$ 37,808

(see accompanying notes)

THE BOARD OF MANAGEMENT OF THE O'KEEFE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1983

1. INCORPORATION AND OPERATION

The Board of Management of the O'Keefe Centre was established as a Corporation by the enactment of the now Section 212(2) of The Municipality of Metropolitan Toronto Act. In accordance with the Act, the Metropolitan Council:

a) appoints the members of the Board
b) is responsible for any deficit and is entitled to any surplus from operations.

The Board of Management operates and manages the O'Keefe Centre as a theatre under the terms of an agreement between the Board and the Municipality of Metropolitan Toronto executed on September 25, 1968.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed by the O'Keefe Centre are described below:

a) Fixed Assets - The land, buildings and all equipment, furnishings, etc., are owned by The Municipality of Metropolitan Toronto and are not recorded on the books of the O'Keefe Centre. Accordingly, all expenditures made by the O'Keefe on such facilities are charged to operations in the year expended and no depreciation of fixed assets is recorded.

b) Inventory - Bar and restaurant inventory is recorded at replacement cost.

3. MAJOR RENOVATION COSTS

Commencing in 1979, the O'Keefe Centre undertook a major renovation program and in 1980 established a 50¢ per ticket surcharge for all patrons of the Centre which is remitted to a separate reserve fund in the accounts of the Metropolitan Corporation and which is used to partially fund the cost of theatre renovations. The first phase of the theatre rehabilitation program is expected to last through 1986. 1981, 1982 and 1983 renovation costs are funded 25% by the Capital Improvement and Rehabilitation Reserve Fund - O'Keefe Centre and 75% by Metropolitan Toronto.

The major renovation costs for 1983 and the total to date are as follows:

	1983	Total 1979 to date
Administration offices	$	$ 88,545
Air conditioning	94,438	207,492
Auditorium		616,841
Consulting fees	116,212	247,481
Furniture and equipment	99,014	328,824
Lobby	522,908	522,908
Lower lounge		225,369
Masonry rehabilitation		124,782
Painting and other repairs	39,025	232,882
Roof replacement		213,356
Sprinkler system		84,678
Sprung floor in rehearsal hall		11,000
Stage lighting improvements	395,358	455,364
Sound system for hearing impaired	20,804	20,804
	$1,287,759	$3,380,326

4. SPECIAL MAINTENANCE COSTS

Under the Canada/Ontario Employment Development Programme, the O'Keefe Centre undertook various labour intensive maintenance projects, with a total cost of $69,096 which amount is recorded in the accounts of the Centre. Funding for this expenditure was provided through the Metropolitan Corporation, with $55,277 of the cost being met by a subsidy from the Province of Ontario and the balance of $13,819 being provided by the Municipality.

5. DEFERRED REVENUE

Deferred revenue includes tickets sold prior to the year end for performances after the year end, less costs incurred to year end. Also included in this amount are unredeemed gift certificates, bar tickets and rental deposits.

6. PENSION PLAN

On January 29, 1981, the Board of Management of the O'Keefe Centre approved the wind-up of the O'Keefe Pension Plan. In 1982, Confederation Life, the custodian, obtained the necessary approvals to wind up the plan and return the surplus to the O'Keefe. At December 31, 1983, the surplus on deposit with the custodian amounted to $240,173 (1982 - $219,973) and is payable to the Board at its discretion. This amount has not been recorded in the accounts of the O'Keefe Centre and is not reflected in these financial statements.

7. COMPARATIVE FIGURES

Certain of the 1982 figures presented here for comparative purposes have been reclassified to conform with the current year's presentation.

SCHEDULE I

THE BOARD OF MANAGEMENT OF THE O'KEEFE CENTRE

SCHEDULE OF PERFORMANCE REVENUE

FOR THE YEAR ENDED DECEMBER 31, 1983

(with comparative figures for 1982)

	1983	1982
PERFORMANCE REVENUE		
Gross ticket sales	$5,346,423	$6,025,280
Less:		
Metro ticket surcharge	116,576	140,207
Credit card discounts	74,812	84,244
	191,388	224,451
Net ticket sales	5,155,035	5,800,829
Less producers' share of revenue	3,290,690	3,548,163
	1,864,345	2,252,666
DIRECT EXPENSES		
Stagehands and ushers wages	437,465	544,989
Advertising	394,283	470,403
Musicians	392,292	317,762
Other	54,258	32,570
	1,278,298	1,365,724
Less recoveries from producers	34,348	72,958
	1,243,950	1,292,766
NET PERFORMANCE REVENUE	$ 620,395	$ 959,900

(see accompanying notes)

SCHEDULE II

THE BOARD OF MANAGEMENT OF THE O'KEEFE CENTRE
SCHEDULE OF RENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1983
(with comparative figures for 1982)

	1983	1982
RENTAL REVENUE		
Canadian Opera Company	$ 614,250	$ 585,000
National Ballet	461,150	455,600
Other rentals	511,800	412,300
	1,587,200	1,452,900
DIRECT EXPENSES		
Stagehands and ushers wages	1,473,827	1,352,628
General expenses	44,627	10,435
	1,518,454	1,363,063
Less recoveries from producers	1,442,963	1,340,006
	75,491	23,057
NET RENTAL REVENUE	$1,511,709	$1,429,843

(see accompanying notes)

SCHEDULE III

THE BOARD OF MANAGEMENT OF THE O'KEEFE CENTRE

SCHEDULE OF CATERING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 1983

(with comparative figures for 1982)

	1983	1982
REVENUE		
Sales	$ 978,332	$ 479,829
Cost of Sales	328,449	166,107
Gross profit	649,883	313,722
DIRECT EXPENSES		
Salaries and wages	413,689	181,265
Supplies	34,526	29,962
Equipment replacement and repairs	30,858	39,871
Advertising and promotion	22,950	2,674
Miscellaneous	11,520	3,542
	513,543	257,314
	136,340	56,408
Catering commissions		29,042
NET CATERING REVENUE	$ 136,340	$ 85,450

(see accompanying notes)

POOR

QUALITY

ORIGINAL